

# The Stream Line

*On Kentucky's State Revolving Fund (SRF) Program*

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## Update on the 2013 CWSRF and DWSRF programs

By Amanda Yeary

### 2013 Call for Projects

The Call for Projects for the 2013 SRF funding cycle ended Dec. 31, 2011, and numbers were slightly down. Approximately 66 profiles were submitted for drinking-water-related infrastructure projects and 102 were submitted for wastewater and storm water-related projects; roughly 40 fewer than last year.

The reduction is likely a reflection of the current economic climate but could mean greater opportunity for those that did apply for the competitive, low-interest funds.

To find out how your project ranked, you can contact Anshu Singh (wastewater) or Amanda Yeary (drinking water) at the Division of Water (contact information below) after March 31.

Official project priority lists will be released with the 2013 Intended Use Plan in May 2012, followed by a 30-day public comment period. All project proponents will be notified of their status on the SRF priority list.

### 2013 SRF Provisions

The 2013 state fiscal year starts July 1, 2012, and launches the beginning of the 2013 SRF funding cycle. Some things during this funding cycle will change.

One change is the federal allotment that helps to fund the SRF. We know that this figure is likely to be reduced approximately four percent across the board, however final dollar amounts are not available.

Additionally, the green reserve requirement for the CWSRF was reduced to 10 percent and will be **left to the states' discretion for the DWSRF.**

Some things will remain the same, such as principal forgiveness and Davis-Bacon provisions. The specific percentages of principal forgiveness to be offered is not known at this time. We will keep you posted of the latest SRF developments.

Why choose the State Revolving Fund?

The SRF continues to be one of the most affordable financing options available. With interest rates as low as one percent, 20-year repayment terms, and principal forgiveness, the SRF has emerged as one of the leading financing contenders in the infrastructure financing industry. The Division of Water and the Kentucky Infrastructure Authority are committed to providing the best service available.

If you would like more information on how to apply for an SRF loan, contact Anshu Singh or Amanda Yeary at the Division of Water. For information about loan terms and conditions, contact Sandy Williams or Kasi White at the Kentucky Infrastructure Authority.

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## Some EPA Grants Rescinded

The Environmental Protection Agency (EPA) has rescinded older unawarded special appropriations (SPAP) grants. EPA is urging those grantees with fiscal year 2009 and newer SPAP appropriations to submit their grant applications as soon as possible.

Though SPAP grants are not SRF funds, they are frequently used as match funding for water infrastructure projects.

The Fiscal Year 2011 Appropriations Act passed by Congress on April 14, 2011, required a rescission of \$140 million from the EPA state and tribal assistance grant appropriation. Appropriations that were unawarded from fiscal year 2008 and prior were rescinded as required by the law. Among the list of rescinded grants were 17 Kentucky grants that totaled \$6,581,255 in funding.

Though fiscal year 2009 and newer SPAP grants were spared from rescission under the 2012 Omnibus Bill, there is no guarantee that more appropriations **won't be rescinded at a future date.**

In addition, Congress has placed a moratorium on future earmarks being made in the current Congressional term.

If your community has received a fiscal year 2009 or newer SPAP grant appropriation and you need assistance with your grant application, please contact an SRF & SPAP project administrator at 502-564-3410.





## Community Spotlight: Bowling Green, Kentucky

### Bowling Green Municipal Utilities nears finish line on plant project

By ROBYN L. MINOR, *The (Bowling Green) Daily News*, posted Jan. 8, 2012. Reprinted with permission.

A 2 1/2-year wastewater plant expansion is nearing completion for Bowling Green Municipal Utilities.

The \$52 million project will not only expand the treatment plant's capacity, it will change the way wastewater is treated and will add a process that recycles sludge that now goes to a landfill.

"We will be starting up the liquid (wastewater) side of the plant in about 60 days and the biosolid part in about 90 days," said Mike Gardner, BGMU's water and wastewater systems manager.

The biosolids area of the plant will convert sludge now going to a landfill into an organic fertilizer that can be used on crops and plants. The fertilizer will be sold to farmers in bulk.

"Most of the structural work has all been done,"

Gardner said of the expansion. "Now it's a matter of finishing all the mechanicals and getting the equipment hooked up so we can start testing."

On the treatment side, the plant's capacity will increase from 10.6 million gallons a day to 12 million. It's constructed so that two more expansions could occur, potentially increasing capacity up to 15 million gallons.

"There is really no projection now for when that expansion need will arise," Gardner said. "A couple of factors are influencing that right now. We don't know if it's just the economy and people are hesitant with building projects and there is slow growth in general, or if it's because some industries are really taking a hard look at the water use practices and have implemented green practices that reduce water usage."

Some might be using their gray water from sinks and other sources to do such things as irrigate plants.



*Photo courtesy of Ky. Division of Water*

*An inside look at one of the new reactors under construction.*

BGMU is considering using gray water in its new administration building.

BGMU General Manager Mark Iverson said there might also be some decline in residential water use, which corresponds to a drop in wastewater being treated.

"We've noticed there is a consumption reduction in the last two or three years, and we are trying to do a little research to see what categories that's in," Iverson said. "What we are trying to do is understand if that is a temporary change and recession driven or if it is a more permanent change."

Increased awareness about green practices also might be a factor.

"It's probably a combination of things," he said. "On the residential side, you have people using front-load washing machines that use considerably less water than top load. That isn't happening overnight, but as machines wear out people are replacing them, and that is a trend that ultimately becomes kind of permanent."

Even if the extra capacity isn't needed any time soon, a big part of the project was changing how BGMU actually treats waste, something that's needed to meet changing regulations.

"We got our discharge permit (renewal) and we had some new standards we had to treat to," Gardner said. The current system is not removing as much ammonia as it needs to from the wastewater before it is released into Barren River.

Iverson said he is pleased with the progress of the project.

"It's been a long project in terms of time and we had some heavy rains early on the construction," Iverson said. "But I don't think it's necessarily behind or ahead of schedule. I do know we are really anxious for everything to come on line so we can begin testing the new system."

*DOW Note: This project was funded with a CWSRF loan. We thank Robyn Minors and the Daily News for permission to reprint this article.*



*Photo courtesy of Ky. Division of Water*

*The exterior of a new reactor under construction.*

# News You Can Use

## SRF Binding Commitments, October 2011 to February 2012

### October 2011

#### Fund F (Drinking Water)

- Northern Kentucky Water District-increase to \$24,000,000

### November 2011

#### Fund A (Clean Water)

- City of Burkesville-\$1,000,000
- City of Bloomfield-\$2,195,635
- City of Hodgenville-\$1,635,000

#### Fund F (Drinking Water)

- City of Hodgenville-\$774,183
- East Casey Co. Water District-\$1,545,000
- Jessamine South Elkhorn Water District-\$3,025,300
- City of Nicholasville-\$4,000,000

### December 2011

#### Fund A (Clean Water)

- City of Harrodsburg-\$418,500

#### Fund F (Drinking Water)

- City of Harrodsburg-\$438,000
- City of Carrollton-\$1,850,270
- Bowling Green Municipal Utilities-\$1,316,378

### January 2012

#### Fund A (Clean Water)

- Oldham Co. Environmental Authority, increase to \$2,123,000
- Grant Co. Sanitary Sewer District-\$1,161,700

#### Fund F (Drinking Water)

- City of Mount Vernon-\$2,600,000
- Lyon Co. Water District-\$2,000,000

### February 2012

#### Fund A (Clean Water)

- Sanitation District #1 of Northern Ky.-\$851,857
- Sanitation District #1 of Northern Ky.-\$959,000
- City of Jamestown-\$2,500,000
- City of Winchester-\$1,000,000
- City of Harrodsburg-\$706,000
- Paducah McCracken Joint Sewer Agency-\$8,000,000
- City of Barbourville-\$5,651,270

## Update on ARRA Funds Expended and Remaining

The American Recovery and Reinvestment Act (ARRA) Bill of 2009 allotted \$66.7 million to Kentucky for wastewater infrastructure and drinking water projects.

Kentucky's Clean Water State Revolving Fund received \$47,882,976.00. Kentucky's Drinking Water State Revolving Fund received \$18,916,250.00.

To date, Kentucky has paid out \$41,484,830.94 in clean water ARRA project expenditures, with \$6,398,145.06 in project funds still under construction. There were 44 clean water ARRA projects, and 25 of those are now closed with all construction work and ARRA required documentation completed.

Kentucky has paid out \$18,236,919.32 in drinking water ARRA project expenditures, with \$679,330.68 in project funds still under construction. There were 17 drinking water ARRA projects, and eight of those are now closed with all construction work and ARRA required documentation completed.

If you have an ARRA project that has not yet closed, please note that EPA is requesting that all ARRA projects be completed and all funds expended by Sept. 30, 2012.

## The Stream Line

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*The Stream Line* is published quarterly by the Division of Water with state and federal funds. Write the Division of Water, Water Infrastructure Branch, SRF & SPAP Section, 200 Fair Oaks Lane, 4th Floor, Frankfort, KY 40601 to have your name and e-mail address added to the mailing list, call 502-564-3410, ext. 4591, fax your request to 502-564-9003 or e-mail [alison.simpson@ky.gov](mailto:alison.simpson@ky.gov).

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